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— Street Talk

## Aura Group shops stake in Lannock Strata Finance

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Mid-market venture capital firm Aura Group has begun early soundings for its 40 per cent stake in Lannock Strata Finance, a fintech that lends to body corporates.

Street Talk understands Aura has kicked off a sale process that is being run in-house, after seven years of ownership [<https://www.afr.com/property/aura-group-invest-in-lannock-the-strata-lender--hot-property-in-housing-boom-20160111-gm36jb>]. The deal was expected to value the business at under \$50 million.

Lannock Strata Finance lends to body corporates that need to pay for remediation or improvements that may fall outside the remit of insurance coverage.

Lannock pays for the work and strata lot owners pay it back over time. It has pitched itself as an alternative to sinking funds, which can be hard to accumulate and lay dormant in bank accounts for years, as well as to special levies, which can be onerous to apartment owners and time-consuming to collect.

The business has a \$250 million odd loan book and is one of the few independent players in strata lending, where Macquarie looms large. Credit Suisse has provided [<https://www.afr.com/property/credit-suisse-backs-lannock-in-100m-body-corporate-lending-deal-20171219-h06wbg>] it a senior funding facility in the past to help it lend to body corporates.

Lannock has also worked with the NSW government and in November was announced as its lending partner for strata to fix flammable cladding issues. It won the appointment after a tender from specialist financiers, and was picked to provide drawdown services for the interest-free loans over the next three years.

Aura made its appointment through the Aura Special Opportunities Fund V in early 2016.